

ENDOWMENT POLICY			
Effective Date	January 19, 2023	Policy Type	Administrative
Responsibility	Vice-President External Relations (or designate) Vice-President, Corporate Services	Related Policies	Fundraising Policy Donation Acceptance Policy Naming Policy Foundation Investment Policy
Approver	Northwestern Polytechnic Foundation Board of Directors	Review Schedule	3 years

1. Policy Statement

Endowment funds represent contributions invested in perpetuity, with a portion of the investment earnings used to support specific polytechnic initiatives as set out in the purpose of the endowment.

2. Scope

The purpose of this policy is to set out the framework for oversight of endowments and ensure that the Polytechnic and the Foundation comply with their responsibility to properly manage and administer endowment funds.

3. Reason for Policy

- 3.1. The NWP Foundation Board of Directors will manage Endowment funds, through the engagement of appropriate investment managers and advisors, to preserve and grow the real value of Endowment assets over time, while maintaining an appropriate and stable level of support to beneficiaries.
- 3.2. Have appropriate management practices and financial controls in place to ensure that the funds available for spending are used in accordance with the purpose of the Endowment.
- 3.3. Provide regular reporting to the Foundation Board to enable appropriate oversight of the Foundation's Endowment funds.
- 3.4. Provide reports to donors in accordance with current stewardship practices.

4. Definitions

- 4.1. **Endowment funds:** Endowment funds represent contributions designated to support specific programs as well as capitalized investment income not required for spending and other capitalized amounts.
- 4.2. **Endowment:** An endowment is held in trust by the NWP Foundation. Endowment capital is invested in perpetuity for the purpose of producing present and future income. A portion of the investment earnings is expended to support the specific purpose agreed to, at the time of the creation of the endowment.
- 4.3. **Foundation or NWP Foundation:** The Northwestern Polytechnic Foundation.
- 4.4. **Investment Earnings:** Unrecognized increases in market value of the portfolio investment earnings.
- 4.5. **Polytechnic Endowment Pool (PEP):** The pooling of investment assets donated to or accumulated by the polytechnic to facilitate investment management and administration of the endowment funds.
- 4.6. **Real value:** Used in conjunction with asset values and restates nominal amounts for movements in the consumer price index.

5. Guiding Principles

- 5.1. Any amount may be contributed to a general Endowment fund.
- 5.2. The minimum amount required to establish a named Endowment is \$10,000 with the investment income derived from it to be used in accordance with the donor's intent.
- 5.3. When an Endowment fund is created a signed endowment agreement between the donor and the Foundation is required.
- 5.4. Income earned from the Endowment shall be distributed by the Foundation annually or as determined by the terms set out in the endowment agreement, and such income shall be used for the charitable purpose designed by the donors or, if undesignated, at the discretion of Executive Council.
- 5.5. The principal and all income from the Endowments will be managed in accordance with the NWP Investment Policy.
- 5.6. If sufficient investment income is not generated to cover the value of the award and if sufficient funds are not available in reserve, the value of the award may be modified.
- 5.7. Although uncommon, circumstances may arise where it is prudent to vary the purpose and/or terms of an Endowment. If the purpose or terms of an Endowment are no longer possible and must be altered, the following steps will be taken to confirm such action.
 - 5.7.1.1. Notify the principal donor, to advise that the Endowment fund can no longer serve the original purpose.

5.7.1.2. The Endowment will be transferred to the selected Endowment program/initiative.

5.7.1.3. If for any reason, the original/principal donor is not available or should there be no agreement as to the disposition of the Endowment fund, as originally contemplated, the Foundation shall seek permission of the court to amend the purpose of the Endowment

6. Roles and Responsibilities

Stakeholder	Responsibilities
Foundation Board of Directors	<ul style="list-style-type: none"> Has the fiduciary and legal obligation to ensure that the endowment funds are managed and administered in accordance with the purpose of the endowment.
Executive Council	<ul style="list-style-type: none"> Approve exceptions to the endowment agreement.
Vice-President External Relations	<ul style="list-style-type: none"> Present exceptions to the endowment agreement to Executive Council.
Vice-President Corporate Services	<ul style="list-style-type: none"> Provide regular reporting.
Donor Relations Staff	<ul style="list-style-type: none"> Record all donations and issue charitable tax receipts.
Awards Selection Committee	<ul style="list-style-type: none"> Selects awardees for the Scholarships, Bursaries and Awards.

7. Procedures

7.1. Refer to the Office of Vice-President, External Relations, procedural documents for operational guidance.